IN THE HIGH COURT OF JUDICATURE AT BOMBAY

O. O. C. J.

COMPANY PETITION NO.345 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO.283 OF 2007

In the matter of the Scheme of Amalgamation of Indian Petrochemicals Corporation Limited with Reliance Industries Limited

Reliance Industries Limited ..Petitioner.

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Mr. Virag Tulzapurkar, Senior Counsel with Ms. Sawmya Srikrishna and Mr. Tapan Deshpande i/b Amarchand & Mangaldas & Suresh A. Shroff & Co. for the Petitioner.
Mr. C.J. Joy for the Regional Director.
Mrs. K.V. Gautam, Dy. Official Liquidator present.

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CORAM: **DR. D.Y. CHANDRACHUD, J.**

12th June, 2007.

P.C. :

1. The sanction of the Court is sought under the provisions of Sections 391 to 394 of the Companies Act, 1956 to a scheme of amalgamation. Under the proposed scheme, Indian Petrochemicals Corporation Limited (the transferor) is to stand amalgamated with Reliance Industries Limited, the Petitioner before this Court. The Court has been informed that a Petition has been filed by the

transferor before the Gujarat High Court since the transferor has its registered office in the State of Gujarat. That Petition is stated to be pending. The scheme was approved by the Board of Directors on 10th March, 2007. The rationale for the scheme has been duly explained in paragraph B of the prefatory part of the scheme. The appointed date is 1st April, 2006. The scheme envisages the issuance of new equity shares by the transferee to the shareholders of the transferor in the ratio of one equity share each of the face value of Rs.10/- of the transferee for every five equity shares of the value of Rs.10/- credited as fully paid up held by equity shareholders of the transferor. The Bombay Stock Exchange and the National Stock Exchange had respectively expressed their no objection to the scheme by a communication dated 13th and 14th March, 2007.

2. In Company Applications filed before this Court meetings were directed by an order dated 16th March, 2007 to be convened of the equity shareholders and of the secured and unsecured creditors. These meetings were accordingly held on 21st April, 2007 and details thereof have been furnished on behalf of the Petitioner which are as

follows :

"Meeting of the Equity Shareholders

(i) Attended either personally or by proxy or by authorised representative by 7,218 Equity Shareholders of the Petitioner Company holding 99,20,11,523 Equity Shares aggregating Rs. 992,01,15,230 in value;

(ii) 7,061 Equity Shareholders holding in aggregate, 99,11,08,388 Equity Shares constituting 99.901% in number and representing 99.9994% in value of the Equity Shareholders, present in person or by proxy and voting at the Meeting, voted in favour of the Scheme;

(iii) 7 Equity Shareholders holding in aggregate, 5,519 Equity Shares constituting 00.099% in number and representing 00.0006% in value of the Equity Shareholders, present in person or by proxy and voting at the Meeting, voted against the Scheme and

(iv) Votes of 150 Equity Shareholders holding 8,97,616 votes were declared invalid."

"Meeting of the Secured Creditors (including Debentureholders)

(i) Attended either personally or by proxy by 38 Secured Creditors (including Debentureholders) of the Petitioner Company, having claims of an aggregate value of Rs.9,048.33 crore against the Petitioner Company;

(ii) 34 Secured Creditors (including Debentureholders) having claims against the Petitioner Company of an aggregate value of

Rs.8975.43 Crores, and constituting 100% in number representing 100% in value of the Secured Creditors (including Debentureholders), present in person or by proxy and voting at the Meeting, voted in favour of the Scheme;

(iii) No Secured Creditors (including Debentureholders) of the Petitioner Company, present in person or by proxy and voting at the Meeting, voted against the Scheme;

(iv) The votes of 4 Secured Creditors having claims against the Petitioner Company of an aggregate value of Rs.72.90 crores were declared invalid."

"Meeting of the Unsecured Creditors

(i) 863 Unsecured Creditors of the Petitioner Company having claims of an aggregate value of Rs.450.39 crores against the Petitioner Company attended either personally or by proxy and voted;

(ii) 657 Unsecured Creditors having claims against the Petitioner Company of an aggregate value of Rs.443.46 crores and constituting 100% in number representing 100% in value of the Unsecured Creditors, present in person or by proxy and voting at the Meeting, voted in favour of the Scheme;

(iii) No Unsecured Creditors of the Petitioner Company, present in person or by proxy and voting at the Meeting, voted against the Scheme;

(iv) The votes of 206 Unsecured Creditors having

> claims against the Petitioner Company of an aggregate value of Rs.6.93 crores were declared invalid."

3. After the Petition was admitted on 27th April, 2007, the hearing of the Petition was duly advertised in the newspapers and a notice of the hearing has been served on the Regional Director and the Registrar of Companies. Counsel appearing for the Regional Director has stated that the scheme as proposed is not contrary to the interest of the public or of the shareholders, creditors and of the employees. There is no objection to the scheme. In the circumstances, there is no reason why the relief as sought should not be granted, particularly since there has been due compliance of all the statutory requirements. The Petition is accordingly made absolute in terms of prayer clauses (a) to (g), subject to the scheme also receiving sanction of the Gujarat High Court in the Petition which has been filed by the transferor company. Prayer clauses (a) to (g) read as follows:

> "(a) for an order under Section 394 of the Companies Act, 1956 that the Scheme of Amalgamation being Exhibit "G" to the Petition be sanctioned by this Hon'ble Court so as to be binding with effect from 1st April, 2006, the Appointed Date, on the Petitioner Company, the Transferor Company

and all their respective shareholders, creditors and all concerned persons;

(b) for an order under Section 394 of the Companies Act, 1956 that the entire business and the whole of the Undertaking of the Transferor Company as set out in the Scheme, being Exhibit “G” hereto, shall without any further act or deed be transferred to and be vested in and/or deemed to be transferred to and to be vested in the Petitioner Company;

(c) for an order under Section 394 of the Companies Act, 1956 that with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company as set out in the Scheme shall, without any further act or deed be transferred to or deemed to be transferred to the Petitioner Company so as to become the debts, liabilities, duties and obligations of the Petitioner Company;

(d) for an order under Section 394 of the Companies Act, 1956 that all suits, actions and proceedings by or against the Transferor Company pending and/or arising on or before the date on which the said Scheme shall finally take effect, be continued and be enforced by or against the Petitioner Company as effectually as if the same had been pending and/or arising by or against the Petitioner Company;

(e) for an order under Section 394 of the Companies Act, 1956 that upon the Scheme taking effect and in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to be respective equity shareholders of the Transferor Company, whose names are registered in the Register of Members of the Transferor Company on the Record Date (fixed by the

Board of Directors of the Transferee Company or a Committee of such Board of Directors) or his/her/its heirs, executors or, as the case may be, successors, equity shares of Rs.10/- (Rupees Ten only) each, credited as fully paid-up in accordance with the applicable Share Exchange Ratio as provided in Clause 10.2 of the Scheme of Amalgamation;

(f) for an order under Section 394 of the Companies Act, 1956, that all permanent employees of the Transferor Company as on the Effective Date shall become the employees of the Petitioner Company in accordance with the provisions set out in the Scheme;

(g) for an order under Section 394 of the Companies Act, 1956 that the Petitioner Company shall within 30 days after the date of sealing of the order to be made herein or within such other time as may be permitted by this Hon'ble Court cause a certified copy thereof to be delivered to the Registrar of Companies, Maharashtra at Mumbai for registration."

The Petitioner to pay costs of Rs.2,500/- each to the Regional Director and the Official Liquidator within four weeks.

Filing and issuance of drawn up order is dispensed with.

All authorities concerned to act on an authenticated copy of this order issued by the office of this Court.